

Municipal Debt Facts

Strategic Planning Information



October 1, 2016

- **The City of Hurst's fiscal condition remains strong as supported by credit-rating agency reviews: Standard & Poor's AA and Moody's Aa2**
- All budget and debt issuance decisions are made only after public notification and open meetings
- Bond refinancing over the last ten years has saved \$6 million
- The city primarily issues the following types of debt:
 - General Obligation Bonds – require voter approval, tied directly to property tax rate, and generally least expensive
 - Certificates of Obligation – require public notification and hearings, can be funded by non-tax revenue but backed by tax rate, and generally less expensive than revenue debt
 - Revenue Bonds – not supported by property taxes and generally most expensive debt
- The city's tax rate for Fiscal Year 2017 is \$0.5879 per \$100 of taxable property value: operations 79% and debt 21%
- The city offers over \$850 million in value exemptions, tax freezes, and value reductions resulting in taxpayer savings of \$5 million per year or 19 cents on the tax rate
- The property tax rate was reduced eleven times between 1992 and 2016 lowering the city's property tax revenue collection by approximately \$23 million
- Hurst property owners pay an average of \$13 per month in ad valorem taxes to finance infrastructure improvements
- Each U.S. city's debt position is unique based upon the timing of debt issuance, type of debt issued, debt structure or payment terms, prevailing market conditions at time of issuance, amount of debt issued, intended use of proceeds, and credit ratings

Additional Information

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Current Indebtedness

General Debt	\$32.4 million
Enterprise Fund	\$12.0 million
Hotel/Motel Fund	\$5.2 million
<u>4B ½ Cent Fund</u>	<u>\$17.4 million</u>
Total Principal	\$67.0 million

Recent Voter-Approved Projects

Fire Station #2
Senior Citizen Activity Center
Library Improvements
Bellaire Drive Reconstruction
Hayes Lane Drainage
Zelda Drive Drainage
Justice Center & Related Parking

Municipal Debt Ratios

Net Bonded Debt to Assessed Value
Current ratio 1.7%; Benchmark 2%

Tax Supported Debt to Taxable Value
Current ratio 2.3%; Benchmark 2.5%

General Fund Annual Debt as % of Operating Budget
Current ratio 9.3%; Benchmark 10%

Debt Principal Per Capita
Bonded Debt Including All COs \$1,734
Property Tax Supported Debt \$845

Internet Links

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hursttx.gov – City of Hurst
tad.org – Tarrant Appraisal District
tarrantcounty.com – Tarrant County
comptroller.texas.gov – State Comptroller
brb.state.tx.us – Bond Review Board
mactexas.com – Municipal Advisory Council